



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

To open, right click on "Select a bill", select Worksheet Object/Edit. To exit, click outside the spreadsheet.

Bill #	SB0122	Title:	Establish ethanol education board
Primary Sponsor:	Kitzenberg, S.	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Include in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

Expenditures:

State Special Revenue	\$250,000	\$250,000	\$250,000	\$250,000
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Revenue:

State Special Revenue	\$0	\$0	\$0	\$0
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Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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Description of fiscal Impact:

SB 122 establishes an ethanol and biobased renewable fuels education board made up of seven members. Fiscal impacts are driven by the board's duties to educate Montanans about the benefits, effects, and uses of ethanol and other biofuels as renewable alternative fuels to replace traditional fossil fuels.

FISCAL ANALYSIS

Assumptions:

- 1.00 FTE will be required for the board to: 1) educate the public about renewable alternative fuels by holding seminars and workshops around Montana, 2) promote economic development for Montana by using alternative fuels, 3) hold an annual conference and workshops on the progress, benefits and status of the production and use of ethanol and biofuels, 4) put together lessons plans for the Office of Public Instruction to be put into students' curriculum, and 5) coordinate and staff the board's activities.
- Estimated costs will be at the \$250,000 level for FY 2008 through FY 2011. Personal services costs include salary and benefits for the board staff and board member per diem. Operating expenses include board meeting costs, travel, conference and workshop costs, educational effort and lesson plan development costs.
- The alcohol tax incentive payments to ethanol producers will be reduced by the amount of funding provided to the ethanol education board up to \$250,000 a year. Starting in FY 2008, the amount of the incentive available to ethanol producers is \$5.75 million of the \$6 million.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
FTE	1.00	1.00	1.00	1.00
<u>Expenditures:</u>				
Personal Services	\$54,266	\$54,266	\$55,623	\$57,013
Operating Expenses	<u>\$195,734</u>	<u>\$195,734</u>	<u>\$194,377</u>	<u>\$192,987</u>
TOTAL Expenditures	<u><u>\$250,000</u></u>	<u><u>\$250,000</u></u>	<u><u>\$250,000</u></u>	<u><u>\$250,000</u></u>
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$250,000	\$250,000	\$250,000	\$250,000
<u>Revenues:</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)

Technical Notes:

1. After June 30, 2011, there is no longer funding available for the board, but the board may still exist.
2. Starting in FY 2008, the amount of the incentive available to ethanol producers will be \$5.75 million. The individual cap for each ethanol producer is \$2 million. It is unclear how the \$5.75 million be distributed of there are three or more ethanol producers eligible to receive the incentive Will the individual cap be reduced proportionally?

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date